



GEDLING
BOROUGH COUNCIL



INTERNAL AUDIT

Report

2005-2006

Leisure DNA Scheme.

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INTERNAL AUDIT REPORT

SYSTEM AUDIT

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1. INTRODUCTION

- 1.1 Recently, queries have been raised regarding the employment status of members of the DNA sports scheme designated as members of staff. Staff are subject to a generous discount for membership of the DNA scheme and so it was decided that Internal Audit would undertake an investigation into the members of the DNA scheme classified as staff to ensure that this was the case.
- 1.2 The investigation analysed a list of all DNA members classified as staff and paying by Direct Debit. The contractor, "Aquaterre", runs the scheme. Concerns have been voiced that staff members who leave the Authority may not be taken off the staff list. A list of scheme members who pay by direct debit and are classified as staff was obtained and then analysed for it's accuracy to the current payroll run.

2. CONDUCT OF AUDIT

- 2.1 Background information on the aims and operation of the scheme was obtained from the Manager of Resource Services and Leisure Services personnel.
- 2.2 A list of employees on the scheme was obtained from Leisure Services.
- 2.3 The assistance and co-operation of all staff involved in this audit assignment is acknowledged and appreciated.

3. EXECUTIVE SUMMARY

- 3.1 From the review undertaken into the Staff belonging to the DNA Health & Fitness scheme there appears to be a minor financial risk to the Authority. There are many ex-employees who still have their employee discounts, which results in a loss of revenue to the Authority.
- 3.2 There is also an issue concerning the length of time a casual employee can remain on the payroll system without working for the Authority. In this review the most a current employee had not been paid by GBC was over 12 months whilst they were still paying staff rates for their membership of the DNA scheme and classified as current staff on the payroll system.

AUDIT ASSURANCE

As a result of the work undertaken during the audit, it was concluded that the operation of the staff aspect of the DNA Leisure Scheme were effectively controlled. Implementation of the three low risk recommendations outlined and agreed within the report will enhance the control environment further.

ACTION PLAN

REC (Risk)	RECOMMENDATION	RESPONSIBLE OFFICER	MANAGEMENT COMMENT	IMPLEMENTATION DATE
4.2.2 Low	It is recommended that any staff who leave the authority should be checked against a list of staff members on the DNA scheme as a matter of standard practice. Leisure Services should carry out an annual check on all DNA members classified as staff to ensure that their status is correct.	Leisure Facilities Officer	All ex-employees of GBC to be written to informing them that their current staff DNA membership will now be charged at the full rate.	August 2006
4.2.4 Low	It is recommended that GBC introduce a cut off point on the Payroll system for casual staff who have not been paid within a set period of time, e.g. 6 months. This would entail Payroll running a half-yearly report. Any staff removed from the system should be checked against staff membership of the DNA scheme and if any are found they should have the benefit of staff membership withdrawn.	Leisure Facilities Officer	All casual staff that has not worked in the past 12 month to be taken off the payroll system and their staff DNA membership charged at the full rate.	August 2006
4.2.6 Low	It is recommended that immediate steps be taken to withdraw the identified scheme members status within the DNA scheme as staff. Any further membership should be categorised as non-staff.	Leisure Facilities Officer	Personnel Department to give Leisure Services monthly leaver of GBC to be checked against staff DNA membership.	September 2006